tions of the Committee are under consideration.

Car advance to MPs and other officials

4339. SHRI INDER KUMAR GUJRAL: Will the Minister of FINANCE be pleased to state:

(a) what is the amount of car advance at present admissible to (i) Members of Parliament, and (ii) Officers of Central Government;

(b) whether Government propose to increase the amount of advance in-view of steep increase in the price of vehicles ever since present ceiling was fixed;

(c) what are the objections to increase the amount of advance particularly when in the case of purchase of new cars almost 25 per cent of the price of the car ploughs back to Government in the form of excise duties and taxes etc.

(d) what is the rate of interest presently charged on these advances; and

(e) whether the rules provide any bar in enhancing the rate of recovery of payment of part of advance in lumpsum after the instalments have originally been fixed?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) In terms of the provisions of the Members of Parliament (Advance for the purchase of conveyance) Rules, 1986, made under the Salary, Allowances and Pension of Members of Parliament Act, 1954, a Member of Parliament is entitled to a maximum amount of Rs. 50,000 as advance for the purchase of a conveyance.

Officers of the Central Government drawing a basic pay of Rs. 3500 p.m. or above are eligible for the grant of an advance upto Rs. 80,000 or 16 months basic pay or the anticipated price of the motor car, whichever is the least. On second or subsequent occasions, the advance is restricted to Rs. 75,000 or 16 months basic pay or the anticipated price of the motor car, whichever is the least.

(b) and (c) There is no proposal, at present to increase the quantum of advance.

(d) Simple inteterest at such rates as may be fixed by the Government from time to time is charged on the advance granted to Members of Parliament/Officers of Central Government for purchase of motor car. Interest chargeable on such advance was 15 per cent during the year 1994-95.

(e) The Hon'ble Chairman of the Rajya Sabha or the Hon'ble Speaker of the Lok Sabha, as the case may be, may permit recovery of advance in lesser number of instalments from the Members of Parliament, if it is so desired. Central Government officers have the option to re-pay more than one instalment in a month.

New scheme under Income Tax Act

4340. SHRI HIPHEI: Will the Minister of FINANCE be pleased to state:

(a) whether Government propose to introduce a new scheme providing for special procedures for assessment of search cases under the Income Tax Act;

(b) if so, details thereof with background;

(c) whether this scheme will be in the interests of people;

(d) if so, details thereof and if not, steps to be taken to make it beneficial for the people?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) Yes Sir. The Government has proposed a new scheme providing for spe-

cial procedure for assessment of search cases in the Finance Bill, 1995.

(b) Under the scheme the assessment of undisclosed income shall be done on the basis of incriminating documents and books of accounts etc. of a block of last ten provious years. This assessment shall be completed within one year from the date of execution of last warrant of search. The undisclosed income so determined shall be taxed at a flat rate of 60 per cent. No penalty for concealment of Income or interest for late filling of return or for default in payment of advance tax shall be leviable on such undisclosed income. However, prosecution proceedings may be initiated. Against this order to block assessment, appeal shall directly lie with Income-tax Appellate Tribunal. This scheme is proposed to be made applicable for search operations initiated on or after 1st July, 1995.

(c) and (d) Yes Sir. At present valuable time is lost in relating the undisclosed income to the different years. No finality is reached and the seized assets remain with the Income-tax Department for a long ttme.

The new scheme shall make the procedure of assessment of search cases effective and meaningful. The undisclosed income shall be assessed as the income of a block of ten previous years, within one year of the execution of last of the search warrant. The assets shall therefore, be released early and a final assessment of the undisclosed income shall be made early. The new scheme is to line with the measures adopted by the Government to simplify the various procedures under the Income-tax Act.

Euromoney conference organised by SBI

4341. SHRI HIPHEI: Will the Minister of FINANCE be pleased to to state:

(a) whether State Bank of India has organised the Euromoney Conference at New Delhi in recent past;

(b) if so, the details thereof with objectives;

(c) whether this Conference has been participated by delegates of the country in addition to delegates from foreign countries;

(d) if so, the details thereof;

(e) whether this Conference has attracted positive indications of foreign investment in different fields of country; and

(f) if so, the details thereof and if not, the reasons for organising this Conference?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI M. V. CHANDRASHEKARA MURTHY): (a) and (b) The Euromoney Conference organised by Euromoney Publications PLC, London, in New Delhi in March, 1995 was sponsored by a group of Indian and foreign firms, including the State Bank of India.

(c) and (d) Yes Sir. A large number of delegations from India and other countries participated in the conference.

(e) and (f) with "India—A global investment partner" as its theme, the conference had focused on the opportunities offered by India to both portfolio and foreign direct investments.

Settlement of audit observations

4342. DR. SHRIKANT RAMCHANDRA JICHKAR: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that there are departmental instructions that observations of Statutory Audit are to be replied to within a period of six months;

(b) whether it is a fact that Public Accounts Committee (20th Report) has put the responsibility for settlement of audit observation on department;

(c) whether a large number of audit observations made in 1993-94 and ear-